

LNF & IHCIF Calculations Illustration

- KLAMATH in Portland area -

Given Data

- 2,409 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 59% = % Expenditures on purchased services, 41% = % expenditures in-house
- 105.4% = Cost index for purchasing health care in this geographic area
- 123.2% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,844 per person for purchased services = $59\% * 105.4\% * \$2,980$
- \$1,515 per person for in-house services = $41\% * 123.2\% * \$2,980$
- \$3,359 per person total = \$1,844 (purchase) + \$1,515 (in-house)
- **\$3,256 per person total** adjusted for health status = $\$3,359 * 96.9\%$
- **\$2,511 per person net cost** = $\$3,256 - \745 Other resources (M&M&PI)

Existing Expenditures (for 2,409 users excluding wrap-around and collections)

- \$1,587 per person = local IHS allowance (excludes \$ for wrap-around)
- \$152 per person = expenditures elsewhere in Portland area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,793 per person for OU users** = $\$1,587 + \$152 + \$54$

LNF Calculation

- **55.1% Gross LNF** = $\$1,793$ (expenditures) / $\$3,256$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **71.4% Net LNF** = $\$1,793 / \$2,511$ net cost ($\$3,256 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 71.4% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

KLAMATH Unmet Needs

- **\$6,048,864 Net Total Need** = 2,409 users * \$2,511 net cost
- **\$1,729,310 Net Unmet Need** = $(100\% - 71.4\% \text{ LNF}) * 2,409 \text{ users} * \$2,511 \text{ net cost}$